Alberta
HUMAN RESOURCES AND EMPLOYMENT

the people & workplace department

Minimum Wage Profile

12 Month Average
(July 2003 - June 2004)

Release: July 2004

Next Release: July 2005

Minimum Wage Profile - (July 2003 – June 2004)

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Introduction

The following profile presents current information on Alberta minimum wage earners. Also examined are minimum wage earners across all ten Canadian provinces. The statistics enable a comparison of the percentage of Alberta employees earning minimum wage to other provinces. The characteristics of minimum wage earners in Alberta are also presented.

The minimum wage profile is updated annually in July to review minimum wage data on an annual basis and reflect changing minimum wage rates. It is important to note that minimum wage rates specific to each province are used instead of one common rate across all provinces. The information presented for Canada as a whole is the aggregate of individual provinces based on their own minimum wage rates.

Results

The most likely characteristics of minimum wage earners examined:

- were young (15-19 years old),
- worked part-time,
- worked in the private sector,
- worked in a permanent job,
- were non-union employees,
- had less than one year of job experience,
- worked in the Accommodation and Food Services industry,
- worked in a Chefs and Cooks occupation,
- had not yet completed high school,
- were female.

The percentage of Alberta employees earning minimum wage was almost identical in the last three minimum wage profiles. Starting with the 2003 Annual Average Minimum Wage Profile (January 2003 – December 2003), employees working greater than 44 hours were excluded from the analysis.

Minimum Wage Profile	Percentage of Alberta Employees Earning Minimum Wage	Percentage of Canadian Employees Earning Minimum Wage
July 2003 – June 2004	0.9%	5.6%
January 2003 – December 2003	1.0%	4.2%
July 2002 – June 2003	1.1%	4.7%

The proportion of Canadian employees earning minimum wage has increased. Many provinces had an increase in their minimum wage, which increased their proportion of minimum wage earners (see next section). Since the last Minimum Wage Profile, Alberta's proportion of minimum wage earners remained relatively unchanged.

Minimum Wage Increases (for the period of January 2004 to June 2004)

The minimum wage rates as of June 1, 2004 in each province were used in this analysis. Six provinces had increases to their minimum wage since the last profile:

Minimum Wage Rate Used	July 2003 – June 2004	January 2003 – December 2003
Manitoba	$7.00	$6.75
Ontario	$7.15	$6.85
Québec	$7.45	$7.30
New Brunswick	$6.20	$6.00
Nova Scotia	$6.50	$6.25
Prince Edward Island	$6.50	$6.25

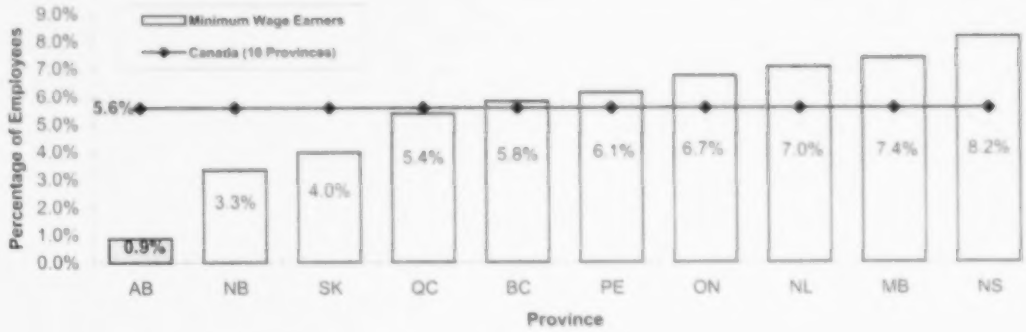
Below is a table comparing the percentage of minimum wage earners from the last two profiles for the six provinces with increases to their minimum wage:

Percentage of Employees Earning Minimum Wage	July 2003 – June 2004	January 2003 – December 2003
Manitoba	7.4%	5.0%
Ontario	6.7%	3.5%
Québec	5.4%	5.2%
New Brunswick	3.3%	4.2%
Nova Scotia	8.2%	7.2%
Prince Edward Island	6.1%	4.1%

Five of the six provinces with increases to their minimum wage also had an increase in their percentage of minimum wage earners. The exception was New Brunswick, whose rate increase was a $0.20 and took place on January 1, 2004. It is expected that the other five provinces will have a decrease in the percentage of minimum wage earners as the labour market has more time to adjust.

Minimum Wage Profile - (July 2003 - June 2004) continued

Figure 1 - Percentage of Employees * Earning Minimum Wage By Province
(12 Month Average: July 2003 - June 2004)



Nearly all of Alberta's employees earned more than minimum wage. The province had the lowest percentage of minimum wage earners among Canadian provinces at 0.9% (+11,100 employees). **Please note:** employees of organizations (+1,284,500 in Alberta) were used in this analysis. Those who were self-employed and worked more than 44 hours per week (+458,200 in Alberta) were excluded.

Figure 2 - Provincial After-Tax Minimum Wage Rates
(rates as of June 1, 2004)

As of June 1, 2004, Alberta moved to ninth highest provincial after-tax minimum wage from seventh in the December 2003 period. British Columbia had the highest minimum wage and also the highest after-tax minimum wage. For details, see Appendix C.

* See Appendix

Minimum Wage Profile - (July 2003 - June 2004) continued

TABLE 1 - Proportion of Alberta Minimum Wage Earners by Age	July 2003 - June 2004	2003
15-19	40.8%	40.3%
20-24	11.7%	14.5%
25-29	7.9%	9.5%
30-34	7.7%	6.2%
35-39	5.8%	4.9%
40-44	6.0%	6.4%
45-49	6.8%	6.0%
50-54	3.1%	3.1%
55+	10.2%	9.0%
Total	**100**	**100**

The proportion of youth (15-24) minimum wage earners (+40.8%) stayed relatively the same from the last profile. Just over twenty percent of the minimum wage earners were older workers (45+).

TABLE 2 - Proportion of Alberta Minimum Wage Earners by Type of Work	July 2003 - June 2004	2003
Full-Time	47.6%	44.4%
Part-Time	52.4%	55.6%
Total	**100**	**100**

Part-time employees made up the majority of minimum wage earners (+52.4%). The percentage of full-time employees increased by 3.2 percentage points from the last minimum wage profile.

TABLE 3 - Proportion of Alberta Minimum Wage Earners by Employee Type	July 2003 - June 2004	2003
Private Sector Employee	87.1%	90.7%
Public Sector Employee	12.9%	9.3%
Total	**100**	**100**

The percentage of minimum wage earners in the public sector increased to 12.9%.

TABLE 4 - Proportion of Alberta Minimum Wage Earners by Nature of Job	July 2003 - June 2004	2003
Permanent *	77.5%	75.7%
Temporary *	22.5%	24.3%
Total	**100**	**100**

Employees with permanent employment made up the majority of Alberta minimum wage earners.

* See Appendix

Minimum Wage Profile - (July 2003 - June 2004) continued

TABLE 5 - Proportion of Alberta Minimum Wage Earners by Union Status	July 2003 - June 2004	2003
Non-Union Employee	95.1%	91.4%
Union Member	4.2%	7.7%
Union Coverage	0.7%	0.9%
Total	**100**	**100**

The majority of minimum wage earners were non-union employees (+95.1%).

TABLE 6 - Proportion of Alberta Minimum Wage Earners by Job Experience	July 2003 - June 2004	2003
Less Than One Year	50.9%	51.3%
One to Five Years	24.7%	25.4%
More Than Five Years	24.4%	23.3%
Total	**100**	**100**

Just over half of those working for minimum wage had less than one year's job experience (+50.9%) and those with more than one year's experience made up 49.1%.

TABLE 7 - Proportion of Alberta Minimum Wage Earners by Industry	July 2003 - June 2004	2003
Accommodation and Food Services	30.2%	28.1%
Retail Trade	14.1%	16.6%
Information, Culture and Recreation	7.9%	6.2%
Finance, Insurance, Real Estate and Leasing	7.4%	5.9%
Personal, Household and Other Services *	6.3%	5.6%
Others	34.1%	37.6%
Total	**100**	**100**

The largest percentage of minimum wage earners were in the following industries: Accommodation and Food Services, 30.2%; Retail Trade, 14.1% and Information, Culture and Recreation, 7.9%.

* See Appendix

Minimum Wage Profile - (July 2003 - June 2004) continued

TABLE 8 - Proportion of Alberta Minimum Wage Earners by Occupation	July 2003 - June 2004	2003
Chefs and Cooks	18.1%	15.9%
Retail Salespersons and Sales Clerks	17.0%	16.3%
Sales and Service, n.e.c. *	15.7%	23.1%
Clerical Occupations	14.1%	8.3%
Financial, Secretarial and Administrative	7.6%	6.8%
Others	27.5%	29.6%
Total	**100**	**100**

The largest percentage of minimum wage earners were employed in the following occupations: Chefs and Cooks, 18.1%; Retail Salespersons and Sales Clerks, 17.0% and Sales and Service, n.e.c. *, 15.7%. From the last minimum wage profile, Sales and Service, n.e.c. * was down 7.4 percentage points and Chefs and Cooks was up 2.2 percentage points.

TABLE 9 - Proportion of Alberta Minimum Wage Earners by Highest Educational Attainment	July 2003 - June 2004	2003
0-8 Years (Elementary)	7.0%	4.7%
Some High School	31.7%	33.9%
High School Graduate	17.6%	19.2%
Some Post Secondary	12.6%	12.0%
Post Secondary Certificate or Diploma	17.2%	16.9%
University Degree	13.9%	13.3%
Total	**100**	**100**

A significant amount of minimum wage earners had lower levels of education. 38.7% had less than a high school diploma. There were 30.1% of minimum wage earners in Alberta with a post-secondary certificate or university degree.

TABLE 10 - Proportion of Alberta Minimum Wage Earners by Gender	July 2003 - June 2004	2003
Female	59.0%	60.2%
Male	41.0%	39.8%
Total	**100**	**100**

Females made up 59.0% of the minimum wage earners in Alberta.

* See Appendix

APPENDIX A

Methodology

The data for this profile is gathered from the Labour Force Survey (LFS) conducted by Statistics Canada. Each month, the Data Development and Evaluation (DDE) branch of Alberta Human Resources and Employment (AHRE) receives LFS files from Statistics Canada. This includes a Microdata file, which contains the complete file of all LFS responses.

The minimum wage analysis is performed from the Microdata using the statistical software package, Statistical Analysis System (SAS). The Canadian territories are not captured in the LFS so they are excluded from this analysis. Twelve-month averages are used to ensure the results are not affected by seasonality. The Microdata files for each of the twelve months examined are combined into one large data set and annual averages are then calculated. For example, in this profile, the results are an average of the July 2003 to June 2004 figures. The results are validated using different LFS variables that are also produced with SAS. The final result is the minimum wage profile.

Sources of Information

All information was taken from Statistics Canada, Labour Force Survey Microdata Files, with the following exception:

Figure 2 – After-Tax Minimum Wage Rates
Source: Alberta Finance and Respective Provincial Jurisdictions

Definitions*

Employees: In this analysis, people who were either self-employed or listed as having an hourly wage rate of $0.00 were removed from the overall employment figure to determine the number of employees. Starting with the 2003 Annual Average Minimum Wage Profile (January 2003 – December 2003), employees working greater than 44 hours were excluded from the analysis. The number of employees in organizations is different from the employment figure for Alberta.

Full-Time: People who usually work 30 hours or more per week at their main or only job.

Personal, Household and Other Services Industry: Consists of establishments engaged in repairing or maintaining: motor vehicles, machinery, equipment and other products; providing personal services; organizing/promoting religious activities; and promoting/advocating causes in various organizations and associations.

Part-Time: People who usually work less than 30 hours per week at their main or only job.

Permanent: A permanent job is one that is expected to last as long as the employee wants it, given that business conditions permit. That is, there is no pre-determined termination date.

Sales and Service (n.e.c. – not elsewhere classified):
Occupations in this major group are primarily concerned with providing services not elsewhere classified in other Sales and Service occupational groups, non-store retail sales not elsewhere classified and providing services related to sales. Examples of occupations in this category include Hairstylists, Cleaners, Butchers, etc.

Temporary: A temporary job has a predetermined end date, or will end as soon as a specified project is completed. Includes seasonal jobs; temporary, term or contract jobs including work done through a temporary help agency; casual jobs; and other temporary work.

Wage: Hourly wage/salary before taxes and other deductions, including tips, commissions and bonuses.

* These definitions (except for the **employee** definition) are from Statistics Canada.

Minimum Wage Rates Used

The Minimum Wage Profile uses rates as of June 1, 2004. Appendix B lists the current minimum wage rates for the ten Canadian provinces before and after tax. Rates often change and may be listed differently than those used in this profile.

Several provinces have scheduled increases to their minimum wage rates in the coming 12 months. Here is a summary of upcoming minimum wage increases:

Province	**Minimum Wage Rate as of June 1, 2004**	**New Minimum Wage Rate**	**Effective Date**
Ontario	$7.15	$7.45	February 1, 2005
Québec	$7.45	$7.60	May 1, 2005
Prince Edward Island	$6.50	$6.80	January 1, 2005

APPENDIX B

Minimum Wages - All Canadian Jurisdictions

May 13, 2004

Jurisdiction	Rates Per Hour					Effective Date
	General	Students Under 18	Inexperienced Workers	Other		
Federal	Replaced by provincial rates.					Jul 1, 1996
British Columbia	$8.00		$6.00 First 500 hrs. of employment.			Nov 1, 2001 (Inexperienced - Nov 15, 2001)
Alberta	$5.90					Oct 1, 1999
Saskatchewan	$6.65					Nov 1, 2002
Manitoba	$7.00					Apr 1, 2004
Ontario	$7.15	$6.70		Liquor servers in licensed establishments	$6.20	Feb 1, 2004
	$7.45	$6.95			$6.50	Feb 1, 2005
	$7.75	$7.25			$6.75	Feb 1, 2006
	$8.00	$7.50			$6.95	Feb 1, 2007
Quebec	$7.45			Employees receiving tips	$6.70	May 1, 2004
	$7.60				$6.85	May 1, 2005
New Brunswick	$6.20					Jan 1, 2004
Nova Scotia	$6.50		$6.05 First 3 months' employment.			Apr 1, 2004
Newfoundland	$6.00					Nov 1, 2002
Prince Edward Island	$6.50					Jan 1, 2004
	$6.80					Jan 1, 2005
Northwest Territories	$8.25					Apr 1, 1991
Nunavut	$8.50					Mar 3, 2003
Yukon	$7.20					Oct 1, 1998

Summary of Minimum Wage Rates in Canada

Rates in Effect and Announced to Come Into Effect up to February 1, 2007

Alberta ($5.90/hr.)
Newfoundland ($**6.00**/hr.)
New Brunswick ($**6.20**/hr.)
Saskatchewan ($**6.65**/hr.)
Nova Scotia ($**6.50**/hr.)
Prince Edward Island ($**6.80**/hr.)
Yukon ($**7.20**/hr.)
Manitoba ($**7.00**/hr.)
Quebec ($**7.60**/hr.)
Ontario ($**8.00**/hr.)
British Columbia ($**8.00**/hr.)
Northwest Territories ($**8.25**/hr.)
Nunavut ($**8.50**/hr.)

APPENDIX C

Minimum Wage Comparisons
2004

* For Single Income Earners

	AB	BC	SK	MB	ON	QC	NB	NS	PE	NL
Minimum Wage Rate	$ 5.90	$ 8.00	$ 6.65	$ 7.00	$ 7.15	$ 7.45	$ 6.20	$ 6.50	$ 6.50	$ 6.00
Salary (2000 hrs)	$ 11,800	$ 16,000	$ 13,300	$ 14,000	$ 14,300	$ 14,900	$ 12,400	$ 13,000	$ 13,000	$ 12,000
Federal Tax	**$ 1,233**	**$ 2,235**	**$ 1,567**	**$ 1,745**	**$ 1,820**	**$ 1,980**	**$ 1,379**	**$ 1,503**	**$ 1,500**	**$ 1,265**
Personal Income Tax	$503	$1,128	$726	$831	$875	$965	$592	$682	$682	$533
CPP/EI	$644	$936	$748	$797	$818	$859	$686	$728	$728	$658
GST	$86	$171	$92	$117	$127	$156	$100	$94	$91	$74
Provincial Tax	**$ -**	**$ 682**	**$ 631**	**$ 594**	**$ 637**	**$ 467**	**$ 174**	**$ 576**	**$ 737**	**$ 851**
Personal Income Tax	$0	$396	$472	$247	$286	$162	($250)	$143	$226	$416
Sales Tax	$0	$286	$160	$347	$351	$305	$424	$433	$510	$435
Health Care Premium	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Summary										
Before Tax Ranking	10	1	5	4	3	2	8	6	6	9
Total Tax	$ 1,233	$ 2,916	$ 2,199	$ 2,339	$ 2,457	$ 2,447	$ 1,552	$ 2,080	$ 2,237	$ 2,116
After Tax Salary	$ 10,567	$ 13,084	$ 11,101	$ 11,661	$ 11,843	$ 12,453	$ 10,848	$ 10,920	$ 10,763	$ 9,884
After Tax Wage Rate	$ 5.28	$ 6.54	$ 5.55	$ 5.83	$ 5.92	$ 6.23	$ 5.42	$ 5.46	$ 5.38	$ 4.94
After Tax Ranking	9	1	5	4	3	2	7	6	8	10

Based on the best information available as of: May 13, 2004 for the: 2004 provincial tax systems. Minimum wage rates as of: May 13, 2004

NOTE: This comparison assumes that all income is from employment and only personal, CPP, and EI credits are claimed.

Source: Alberta Finance and Respective Provincial Jurisdictions